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**ARTICLES OF INCORPORATION
OF
THE VILLAS AT ORCHARD HILLS
CONDOMINIUM OWNERS ASSOCIATION**

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The undersigned, acting as incorporator of a corporation pursuant to the provisions of the Revised Iowa Nonprofit Corporation Act, Chapter 504 of the Code of Iowa, adopts the following Articles of Incorporation:

**ARTICLE I
Name and Principal Office**

The name of the Corporation shall be: "The Villas at Orchard Hills Condominium Owners Association" (herein called the "Association").

**ARTICLE II
Registered Office and Agent**

The initial registered office of the Association shall be 319 7th Street, Suite 500, Des Moines, Iowa 50309, and the initial registered agent at such address shall be Conlin Properties, Inc.

**ARTICLE III
Corporate Existence**

The corporate existence of the Association shall begin upon the date these Articles are filed with the Secretary of State, and its duration shall be perpetual.

**ARTICLE IV
Purposes and Powers**

The Association does not contemplate pecuniary gain or profit to the members thereof. The specific purposes and objects for which the Association is formed are to provide for and to administer the operation, management, maintenance and care of the Horizontal Property Regime to be known as "The Villas at Orchard Hills" to be established in accordance with Chapter 499B, Code of Iowa (2005), as amended, which shall be located upon the following described real estate situated in the City of Norwalk, Polk County, Iowa:

Lots 1 through 10, Orchard Hills Villas II, an Official Plat in the City of Norwalk, Warren County, Iowa;

and to undertake the performance of the acts and duties incident to the administration of the operation and management of the Association in accordance with its terms, provisions, conditions and authorizations as contained in these Articles of Incorporation, and which may be contained in the Declaration of Submission of Property to Horizontal Property Regime for The Villas at Orchard Hills, as the same may be amended from time to time, which will be filed in the office of the County Recorder of Warren County, Iowa, at the time said real property and the improvements now or hereafter situated thereon are submitted to the Horizontal Property Regime. Thus, the Association

shall be a "Mutual Benefit Corporation", as that term is defined under the Revised Iowa Nonprofit Corporation Act. For this purpose, the Association shall have the authority to:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration recorded or to be recorded in the office of the Recorder of Warren County, Iowa, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length; and

B. Exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of Iowa may now or hereafter have or exercise, including the Revised Iowa Nonprofit Corporation Act.

ARTICLE V **Board of Directors**

The Affairs of this Association shall be managed by a Board of at least two (2) but not more than five (5) Directors. The initial members of the Board of Directors as named below as well as any other members of the Board of Directors who are elected by the Declarant need not be members of the Association, thereafter, all members of the Board of Directors shall be members of the Association. The number of Directors within this range shall be established by the By-Laws of the Association. The names and addresses of the persons who are to act as the initial Directors until their successors are elected shall be as follows:

Julia Stover
3636 Westown Parkway, Suite 101
West Des Moines, IA 50266

Roger Eastman
3636 Westown Parkway, Suite 101
West Des Moines, IA 50266

ARTICLE VI **Membership; Voting Rights**

Each person who is a record owner of a fee or undivided fee interest or contract buyer of any condominium which is subject to the above-described Declaration shall automatically be a member of the Association in the classes set forth below. The acceptance of a deed or other conveyance or installment real estate contract for any such condominium shall be deemed to be that condominium owner's consent or affirmative action evidencing consent to become a member of the Association. Membership in the Association shall be appurtenant to and shall not be separated from condominium ownership in The Villas at Orchard Hills. Property right interests in membership are not transferrable except in connection with the transfer by members of their respective condominiums. **Rottlund Homes of Iowa, Inc., which is the owner of the Property, or its successor in interest or assignee pursuant to a document that specifically refers to this Class "B" membership transfer, shall be a Class "B" member of the Association and shall be the sole voting member of the Association until that date which is seven (7) years later; or until that date which is one hundred twenty (120) days after the conveyance of seventy-five percent**

(75%) of the Condominiums (including Condominiums which have then or may thereafter be added to the Regime pursuant to the Declaration) to Condominium Owners other than Declarant; or a recording of a written surrender of control of the Association by the Declarant, whichever first occurs. Upon the happening of the earliest of said events, all Directors elected by the Declarant shall resign from the Board of Directors and all members shall automatically convert to Class "B" members and have full voting rights as established in the Declaration, as amended from time to time, regarding the affairs of the Association, including election of Directors. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. All other members shall be Class "A" members and shall not have any such voting rights.

ARTICLE VII
By-Laws

The initial By-Laws of the Association shall be adopted by its initial Board of Directors, and, thereafter, the By-Laws may be altered, amended or repealed only in the same manner and to the same extent as the Declaration.

ARTICLE VIII
Incorporator

The name and address of the incorporator is: Streetar Cameron, 317 Sixth Avenue, Suite 300, Des Moines, Iowa 50309.

ARTICLE IX
Transfer of Membership

Membership in the Association may not be assigned or transferred except as follows:

A. With respect to the Class "B" membership of the Association, the membership may be assigned or transferred to any successor in interest or assignee of the Declarant, Rottlund Homes of Iowa, Inc., pursuant to a document that specifically refers to this Class "B" membership transfer.

B. With respect to the Class "A" membership (and to that membership when it is converted to voting Class "B" membership as described in these Articles), the membership may only be assigned to a successor in interest or grantee of any condominium owner within the Property. A conveyance of a condominium by any condominium owner shall be automatically deemed to be a transfer of membership to the grantee without the need for any further documentation.

ARTICLE X
Liability/Indemnification

A. No officer or any member of the Board of Directors of the Association shall be personally liable to the Corporation or its Members for money damages for any action taken, or any failure to take any action, as an officer or as a member of the Board of Directors, except liability for any of the following:

1. The amount of a financial benefit received by such person to which the person is not entitled.

2. An intentional infliction of harm on the corporation or its Members.

3. A violation of Section 504.834 of the Revised Iowa Nonprofit Corporation Act.

4. An intentional violation of criminal law.

B. The Corporation shall indemnify an officer or a member of the Board of Directors for liability, as defined in Section 504.851, subsection 5, of the Revised Iowa Nonprofit Corporation Act, to a person for any action taken, or any failure to take any action, as an officer or as a director except liability for any of the following:

1. Receipt of a financial benefit to which the person is not entitled.

2. An intentional infliction of harm on the corporation or its Members.

3. A violation of Section 504.834 of the Revised Iowa Nonprofit Corporation Act.

4. An intentional violation of criminal law.

ARTICLE XI **Capital Stock**

The Corporation shall have no capital stock.

ARTICLE XII **Distribution of Assets Upon Dissolution**

Upon dissolution of the corporation, the assets of the corporation shall be distributed to the Members of the corporation in the same proportion as the Member's allocated vote/assessment total bears to the total of all the votes/assessments outstanding for the corporation.

ARTICLE XIII **Election to be Subject to Revised Iowa Nonprofit Corporation Act**

Pursuant to Section 504.1701(3) of the Revised Iowa Nonprofit Corporation Act, the Corporation hereby elects to be subject to the provisions of the Revised Iowa Nonprofit Corporation Act.

Dated this 6th day of February, 2006.

Streetar Cameron
Streetar Cameron, Incorporator

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